



FOR IMMEDIATE RELEASE

Oak View National Bank Announces 2021 Third Quarter Results

Warrenton, VA, November 1, 2021 - Oak View National Bank (OTC Pink: OAKV) reported net income of \$621,554 for the quarter ended September 30, 2021, compared to net income of \$571,113 for the third quarter of 2020, an increase of 8.83%. Basic and diluted earnings per share for the third quarter of 2021 were \$0.21 compared to \$0.20 per share in the second quarter of 2020.

Net income for the nine months ended September 30, 2021, was \$1.60 million, compared to \$1.43 million for the nine months ended September 30, 2020. Basic and diluted earnings per share for the nine months ended September 30, 2021, were \$0.55 compared to \$0.50 per share for the nine months ended September 30, 2020.

Selected Highlights:

- The net interest margin was 3.28% for the third quarter of 2021, compared to 3.43% and 3.30% for the second quarter of 2021 and the third quarter of 2020, respectively. The net interest margin was 3.37% for the first nine months of 2021, compared to 3.11% for the first nine months of 2020.
- Total assets were \$327.72 million on September 30, 2021, an increase of \$14.00 million and \$43.15 million compared to June 30, 2021, and December 31, 2020, respectively.
- Total loans increased to \$246.50 million on September 30, 2021, compared to \$245.00 million on June 30, 2021, and \$245.77 million on December 31, 2020. Excluding Paycheck Protection Program loans (PPP), loan growth was 3.13% and 8.00% compared to March 31, 2021, and December 31, 2020, respectively.
- Credit quality continues to be outstanding as the Bank had just one non-performing loan on September 30, 2021, totaling \$5,985 and there were no past due loans at the end of the third quarter 2021.
- The Bank recorded provision for loan losses of \$9,695 and a recovery of loan losses of \$57,848 for the third quarter and first nine months of 2021, respectively. While the Bank provided adequate reserves for loan growth during the reported periods, a portion of the reserves recognized during 2020 was released as credit deterioration as previously anticipated at the onset of the COVID-19 pandemic has not been experienced.
- Total deposits increased to \$283.73 million on September 30, 2021, compared to \$270.19 million on June 30, 2021, and \$239.89 million on December 31, 2020. This represents an increase of \$13.54 million and \$43.84 million compared to June 30, 2021, and December 31, 2020, respectively.

Michael Ewing, CEO and Chairman of the Board said, "We are pleased with the financial results for the third quarter. And equally important, we are extremely proud of our employees who, as the momentum in opening new accounts increased, remained focused on providing an exceptional experience at every customer interaction." Mr. Ewing continued by stating, "During the quarter, a record number of over four hundred new accounts were opened, which contributed significantly to our growth for the period. We are thrilled at the level of support we have received from our

customers and communities and are excited for the opportunity to provide products and services that will meet their financial needs at the time they need it most.”

Earnings

Return on average assets was 0.76% and return on average equity was 8.87% for the third quarter of 2021 compared to 0.81% and 8.88% respectively for the third quarter of 2020. Return on average assets was 0.69% and 0.68% for the first nine months of 2021 and 2020, respectively. Return on average equity was 7.86% and 7.67% for the first nine months of 2021 and 2020, respectively.

Paycheck Protection Program (PPP) Update

As of September 30, 2021, the Bank had \$9.51 million in outstanding PPP loans, \$302,030 of which were originated in 2020 and the remaining \$9.21 million were originated in 2021. Net PPP loan fees recognized for the quarter totaled \$161,072, of which \$137,470 represented accelerated PPP loan fees earned from PPP loan forgiveness of \$5.65 million in principal loan balances during the quarter.

Net Interest Margin

The net interest margin declined fifteen basis points to 3.28% for the third quarter of 2021, compared to 3.43% for the second quarter of 2021 and declined 2 basis points, compared to 3.30% for the third quarter of 2020. The net interest margin increased by twenty-six basis points to 3.37% for the first nine months of 2021, compared to 3.11% for the first nine months of 2020.

Changes to the net interest margin were impacted by the changes in the yield on average earning assets, primarily lower yields on loans, offset by lower cost of funds. The average yield on earning assets decreased to 3.59% for the third quarter of 2021 from 3.83% for the second quarter of 2021 and 3.99% for the third quarter of 2020. The cost of funds decreased to 0.47% for the third quarter of 2021 from 0.59% for second quarter of 2021 and 0.98% for the third quarter of 2020.

Noninterest Income

Noninterest income increased by \$53,259 or 12.89% to \$466,459 for the third quarter of 2021, compared to the second quarter of 2021, and increased by \$96,589 or 26.11% compared to the third quarter of 2020. This increase was primarily related to higher levels of interchange fee income and mortgage loan fee income.

Noninterest Expenses

Noninterest expenses decreased by \$425,456 or 16.19% for the third quarter of 2021, compared to the second quarter of 2021. While expenses related to salaries and benefits increased quarter-over-quarter due to growth opportunities the bank has experienced, this increase was offset by the reduction in data processing expenses associated with the core data processor conversion that occurred during the second quarter of 2021.

Noninterest expenses increased by \$422,730 or 23.76% for the third quarter of 2021, compared to the third quarter of 2020. Period-over-period noninterest expenses increased as a result of new positions in 2021, the strategic decision to increase advertising efforts throughout our market area and the costs related to reorganization of the bank into a holding company.

Oak View National Bank is a locally owned and managed community bank offering a full range of financial services for commercial and retail customers, as well as not-for-profit entities. Oak View National Bank is headquartered in Warrenton, Virginia serving Fauquier, Culpeper, Rappahannock and surrounding counties with full-service offices in Warrenton, Marshall and Culpeper and a loan production office in Washington, Virginia. Visit us at www.oakviewbank.com. Member FDIC.

OAK VIEW NATIONAL BANK
Balance Sheets

	(Unaudited) September 30, 2021	December 31, 2020
Cash and due from banks	\$ 8,491,676	\$ 3,640,065
Federal funds sold	27,328,000	7,261,000
Interest-bearing deposits in other banks	9,284,460	12,579,174
Securities held to maturity, at cost	3,535,051	3,149,392
Securities available for sale, at fair value	19,840,630	-
Restricted stock, at cost	1,483,955	1,725,605
Loans, net of allowance for loan losses of \$2,128,961 and \$2,173,910, respectively	244,373,458	243,585,780
Premises and equipment, net	6,239,080	5,470,408
Accrued interest receivable	769,437	889,704
Bank owned life insurance	5,282,985	5,204,850
Deferred tax asset	711,307	660,299
Other assets	381,001	505,926
Total assets	<u>\$ 327,721,040</u>	<u>\$ 284,672,203</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest bearing	\$ 86,855,348	\$ 66,056,128
Savings, interest-bearing checking and money market accounts	125,079,077	97,972,610
Time deposits	71,791,925	75,856,953
Total deposits	<u>283,726,350</u>	<u>239,885,691</u>
Federal Home Loan Bank advances	14,900,000	16,900,000
Accrued expenses and other liabilities	1,188,481	1,572,864
Total liabilities	<u>\$ 299,814,831</u>	<u>\$ 258,358,555</u>
Commitments and Contingent Liabilities		
	\$ -	\$ -
Shareholders' Equity		
Preferred stock		
\$ 5 par value, authorized 2,000,000 shares,		
None issued and outstanding	\$ -	\$ -
Common stock		
\$1 par value, authorized 10,000,000 shares, 2,956,157 and 2,896,502 shares issued and outstanding, respectively		
	2,956,157	2,896,502
Additional paid-in capital	17,776,623	17,538,003
Retained earnings	7,365,318	5,879,143
Accumulated other comprehensive income (loss)	(191,889)	-
Total shareholders' equity	<u>\$ 27,906,209</u>	<u>\$ 26,313,648</u>
Total liabilities and shareholders' equity	<u>\$ 327,721,040</u>	<u>\$ 284,672,203</u>

OAK VIEW NATIONAL BANK
Statements of Operations
For the Three and Nine Months Ended September 30, 2021 and 2020
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Interest and Dividend Income				
Interest and fees on loans	\$ 2,655,156	\$ 2,518,028	\$ 7,960,579	\$ 7,315,346
Interest on securities	54,720	30,147	115,435	91,086
Dividends on restricted stock	17,516	20,134	52,332	77,856
Interest on interest-bearing deposits in other banks	42,300	73,996	149,202	255,790
Interest on federal funds sold	9,044	1,844	18,775	74,440
Total interest and dividend income	2,778,736	2,644,149	8,296,323	7,814,518
Interest Expense				
Interest on deposits	202,706	393,423	732,172	1,331,268
Interest on Federal Home Loan Bank advances	44,039	70,911	165,558	283,479
Total interest expense	246,745	464,334	897,730	1,614,747
Net Interest Income	2,531,991	2,179,815	7,398,593	6,199,771
Provision for (Recovery of) Loan Losses	9,695	47,291	(57,848)	372,259
Net interest income after provision for (recovery of) loan losses	2,522,296	2,132,524	7,456,441	5,827,512
Noninterest Income				
Service charges on deposit accounts	30,497	17,333	83,456	60,568
Interchange fees	143,125	87,285	377,130	232,296
Mortgage loan fee income	196,023	169,877	450,560	292,837
Income on bank owned life insurance	26,618	27,730	78,134	82,112
Other income	70,196	67,645	216,844	203,836
Total Noninterest Income	466,459	369,870	1,206,124	871,649
Noninterest Expenses				
Salaries and employee benefits	1,377,029	1,038,701	3,513,676	2,771,105
Occupancy and equipment	131,569	144,526	430,208	433,403
Professional services	70,364	65,485	270,166	147,898
Data processing	262,872	266,582	1,420,444	796,427
Advertising	86,373	35,507	235,118	103,190
Regulatory assessments	67,617	64,999	164,798	149,718
Other operating expenses	206,154	163,448	600,483	485,516
Total noninterest expenses	2,201,978	1,779,248	6,634,893	4,887,257
Net Income Before Tax	786,777	723,146	2,027,672	1,811,904
Income tax expense	165,223	152,033	425,638	380,672
Net income	\$ 621,554	\$ 571,113	\$ 1,602,034	\$ 1,431,232
Earnings per Share, basic and diluted	\$ 0.21	\$ 0.20	\$ 0.55	\$ 0.50